

A regular meeting of the Michigan State Employees' Retirement System Board was held at the State Secondary Complex, General Office Building, First Floor, Conference Room A, Lansing, Michigan, on May 22, 2008. The following members, staff and observers participated:

**Members Present:** David Dekker, Employee Member  
 Douglas Drake, Retiree Member  
 George Elworth representing the Attorney General  
 Calvin Frappier, Retiree Member  
 Vernon Johnson, representing the State Treasurer  
 Daniel McLellan, representing the Director of Civil Service  
 Craig Murray, representing the Deputy Auditor General  
 Harry Posner, Employee Member  
 John Schoonmaker, representing the Commissioner of the  
 Office of Financial and Insurance Services

**Staff Present:** Phil Stoddard, Executive Secretary  
 Terry Rideout, Recording Secretary

**Others Present:** Thomas Schimpf, of the Attorney General's Office; Janet Ketchum, of the Retirement Coordinating Council; Alan Sonnanstine of Gabriel Roeder Smith and Co.; Leland Hall; Mrs. Alvin Trierweiler; and Cara Frappier.

### **Call to Order**

Chair Douglas Drake called the meeting to order at 1:32 p.m.

### **Excusing of Absent Members**

There were no members absent.

### **Approval of Agenda**

Daniel McLellan moved, Calvin Frappier supported, to approve the revised agenda as presented. The motion carried unanimously.

Craig Murray moved, Daniel McLellan supported, to move agenda item #9 Unfinished Business to follow agenda item #5 Public Introduction. The motion carried unanimously.

## **Approval of Minutes**

George Elworth moved, Craig Murray supported, to approve the regular meeting minutes of April 10, 2008, as presented. The motion carried unanimously.

John Schoonmaker moved, Vernon Johnson supported, to approve the executive session minutes of April 10, 2008, as presented. The motion carried unanimously.

## **Unfinished Business**

Chair Douglas Drake, on behalf of the Board, presented a resolution honoring Alvin Trierweiler to Mrs. Trierweiler.

## **Disability Retirement Applications**

### Non-Duty Disability Retirement Applications

Daniel McLellan moved, Vernon Johnson supported, to approve the non-duty disability applications 1 – 12, 14 – 19 as presented in the Supplemental Information to the Agenda, 7A, except application 13. The motion carried unanimously.

Following discussion, George Elworth moved, Harry Posner supported, to approve application 13 as presented in the Supplemental Information to the Agenda, 7A. The motion carried, with Craig Murray abstaining.

### Duty Disability Retirement Application

Daniel McLellan moved, David Decker supported, to approve the duty disability application 1 as presented in the Supplemental Information to the Agenda, 7B. The motion carried unanimously.

## **Administrative Hearings**

### Proposal for Decision – Docket 2007-4870 SERS

The Board considered the case materials. Daniel McLellan moved, Vernon Johnson supported, that the Board adopt as its own the recommendation of the Presiding Officer in the Proposal for Decision dated February 25, 2008, including the proposed Findings of Fact and Conclusions of Law except for the changes requested by Respondent, and deny Petitioner's request for duty or non-duty disability retirement benefits using the form of decision and order offered by Respondent. The motion carried unanimously.

### Proposal for Decision – Docket 2007-5248 SERS

The Board considered the case materials. Daniel McLellan moved, Craig Murray supported, that the Board adopt as its own the recommendation of the Presiding Officer in the Proposal for Decision dated February 21, 2008, including the proposed Findings of Fact and Conclusions of Law except for the changes requested by Respondent, and deny

non-duty disability retirement benefits to Petitioner, using the form of decision and order offered by Respondent. The motion carried unanimously.

Proposal for Decision – Docket 2007-3690 SERS

The Board considered the case materials. Daniel McLellan moved, John Schoonmaker supported, that the Board adopt as its own the recommendation of the Presiding Officer in the Proposal for Decision dated March 6, 2008, including the proposed Findings of Fact and Conclusions of Law except for the changes requested by Respondent, and deny duty disability retirement benefits to Petitioner, using the form of decision and order offered by Respondent. The motion carried unanimously.

Proposal for Decision – Docket 2007-AH052

The Board considered the case materials. Daniel McLellan moved, Harry Posner supported, that the Board adopt as its own the recommendation of the Presiding Officer in the Proposal for Decision dated February 11, 2008, including the proposed Findings of Fact and Conclusions of Law, and deny duty or non-duty disability retirement benefits to Petitioner. The motion carried unanimously.

Proposal for Decision – Docket 2008-148 SERS

The Board considered the case materials. Vernon Johnson moved, David Decker supported, that the Board adopt as its own the recommendation of the Presiding Officer in the Proposal for Decision March 13, 2008, including the proposed Findings of Fact and Conclusions of Law except for the changes requested by Respondent, and deny Petitioner non-duty disability retirement benefits, using the form of decision and order offered by Respondent. The motion carried unanimously.

Proposal for Decision – Docket 2007-AH026

The Board considered the case materials. Daniel McLellan moved, Craig Murray supported, that the Board adopt as its own the recommendation of the Presiding Officer in the Proposal for Decision dated February 25, 2008, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner duty or non-duty disability retirement benefits based upon Respondent's Exceptions and the administrative record, using the form of decision and order offered by Respondent. The motion carried unanimously. Two typographical errors in the order were noted and corrected.

Proposal for Decision – Docket 209 SERS

The Board considered the case materials. Daniel McLellan moved, Craig Murray supported, that the Board deny Petitioner's request to allow the March 10, 2008, radiology report into the administrative record. The motion carried unanimously.

Daniel McLellan moved, Craig Murray supported, that the Board adopt as its own the recommendation of the Presiding Officer in the Proposal for Decision dated March 21, 2008, including the proposed Findings of Fact and Conclusions of Law, except for the changes requested by Respondent, and deny Petitioner duty or non-duty disability retirement benefits, using the form of decision and order offered by Respondent. The motion carried unanimously.

## **New Business**

SERS Administrative Rules – After discussion, George Elworth moved, Daniel McLellan supported to approve sending a request on behalf of the Board to the State Office of Administrative Hearings and Rules, for a correction to Rule 38.21(f). The numbering correction requested changes the Rule reference from R38.54 to R38.38. The motion carried unanimously.

## **Special Reports**

Actuarial Pension Valuation – Alan Sonnanstine of Gabriel Roeder Smith & Company provided highlights of the pension valuation for the period ending September 30, 2007, and responded to questions.

Actuarial Health Valuation – Alan Sonnanstine of Gabriel Roeder Smith & Company provided highlights of the health care valuation for the period ending September 30, 2007, and responded to questions.

## **Legislative Report**

The report was included in the notebook.

## **Board Comment**

Chair Douglas Drake noted that two reports had just been published that may be of interest to Board members: *Michigan's Fiscal Future* by the Citizens Research Council of Michigan, and *Michigan's Defining Moment – A Common Ground Agenda for Michigan's Transformation* by The Center for Michigan.

## **Public Comment**

No comments were received.

## **Executive Session**

John Schoonmaker moved, Daniel McLellan supported, that the Board move to executive session to discuss pending litigation with legal counsel, as allowed under the Open Meetings Act, Section 8(e). A roll call vote was taken and the motion carried unanimously. A brief recess was taken to allow the public to exit the room.

The Board entered Executive Session at 2:52 p.m.

Daniel McLellan moved, Vernon Jonhson supported, that the Board move from executive session to regular session. A roll call vote was taken and the motion carried unanimously.

The Board returned from Executive Session at 2:59 p.m.

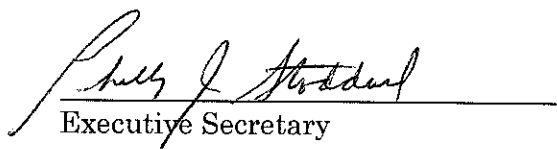
Court of Claims Docket – 08-10-MZ

Calvin Frappier moved, George Elworth supported, to approve the filing of a Claim of Appeal in the Court of Appeals. The motion carried unanimously.

**Adjournment**

John Schoonmaker moved, George Elworth supported that the meeting be adjourned. The motion carried unanimously. The Chair adjourned the meeting at 3.03 p.m.

## OFFICIAL MINUTES

  
Chair  
Executive Secretary